



City of San Diego

Report to Rules Committee

**Update on the American Recovery and
Reinvestment Act
May 13, 2009**



Advocacy

- The Mayor and the City's lobbying team, including IRD and Patton Boggs, advocated to ensure the City and region would have funding opportunities in a number of areas including transportation, housing and public safety.
- Advocacy through member organizations: U.S. Conference of Mayors, League of Cities, SANDAG
- Advocacy through other channels: Governors office and San Diego delegation
- Collaboration with other big cities
- Multiple memos and presentations to Council including updates to Rules, Budget and LU&H



Analysis

- The stimulus package contained eight major categories of interest:
 - General Infrastructure
 - Transportation
 - Water
 - Housing
 - Public Safety
 - Energy



IRD Criteria For Stimulus Dollars

1. Creates jobs and serves as an economic stimulus
2. Achieves measurable reductions- ie. greenhouse gases in energy helping City meet its AB 32 goals
3. Meets ARRA imposed deadlines
4. Consider Economic Development Opportunities
5. Leverages other grants and external sources of money
6. Reduces City costs, helping address budget problems
7. When possible retain local government control to ensure adequate oversight and flexibility



General Infrastructure

- Community Development Block Grants (*Formula*)
 - \$1 billion nationwide
 - Approximately \$4 million for City of San Diego
- Army Corps of Engineers (*Secretary of Army*)
 - \$2 billion for construction projects
 - San Diego has a priority Army Corps project
 - Allocated \$10.5 million for Mission Bay Channel Dredging and Jetty Repair
- Border Construction (*General Services Admin*)
 - \$300 million for border stations and land crossings



CDBG- R Update

- On May 6, the City received from the Assistant Secretary for Community Planning and Development with the Department of Housing and Urban Development (HUD) the final guidelines for CDBG-R
- This formula driven grant means that the City will receive \$4.033 million in additional CDBG funding through the stimulus.
- **The application deadline for the City's Substantial Amendment to HUD is close of business on June 5, 2009.**
- A seven day public input process is to be included.



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General Guidelines

- HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.
- While the full range of CDBG activities is available to grantees, HUD strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.



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“While grantees have the full range of CDBG eligible activities at their disposal for CDBG-R, Congress clearly intends that CDBG-R funds should primarily be invested in economic development, housing, infrastructure and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention. In selecting activities for CDBG-R funding, grantees should keep in mind that some eligible activities under the Housing and Community Development Act are unlikely to substantively address the intent of the Recovery Act.”



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Process and Timeline

- May 8 – IRD issues memo soliciting Council ideas
- May 14 – Council Due Date
- May 20 – Joint LU&H and PS&NS
- May 21 – Public Notice goes out for Substantial Amendment
- May 22 – Report to Docket
- June 2 – Council to approve Substantial Amendment
- June 5 – Substantial Amendment due to HUD



Transportation

- Transit (*Formula by DOT*)
 - \$6.9 billion for capital projects
- Highways (*Formula to States*)
 - \$27.5 billion for projects eligible under the STP
- Amtrak (*Amtrak*)
 - \$1.3 billion on repair, rehabilitation or upgrade of rail facilities that expand service
- High Speed Rail (*Discretionary Grants – DOT*)
 - \$8 billion
 - Provides additional opportunity for San Diego in State HSR project
- National Surface Transportation (*Competitive*)
 - \$1.5 billion for projects of national or regional significance



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Transportation General Thoughts

- Most of these funds are coordinated through SANDAG and State
- City projects are benefiting- Carroll Canyon and 905
- City will be receiving an additional TransNet allocation. Will be handled through normal TransNet, CIP and budget process.
- Working with SANDAG on High Speed Rail and National and Regional Significance Projects



Water

- State Revolving Loan Funds: Clean Water and Drinking Water (*Formula to States*)
 - \$4 billion for Clean Water (\$280m for CA)
 - Pre-application deadline was March 24
 - Criteria are the same as existing SRF program
 - Water Department advanced four existing projects
 - Announcement of project priority list expected June 1, 2009
 - \$2 billion for Drinking Water (\$160m for CA)
 - Pre-application deadline was February 27 (just one week after ARRA was signed into law)
 - Criteria are consistent with existing SRF program
 - Water Department advanced five existing projects
 - State DPH holding public hearing on May 26 to determine eligible applicants



Housing

- Neighborhood Stabilization (*Competitive - HUD*)
 - \$2 billion for the purchase, rehabilitation and re-occupancy of foreclosed homes
- Emergency Shelter Grants (*Formula*)
 - \$6 million to City of San Diego
- HOME Investment Partnership (*Formula to State, then competitive*)
 - \$2.25 billion for purchase, construction and rehabilitation of affordable housing for rent
- Lead Paint Removal (*Competitive - HUD*)
 - \$100 million for lead abatement in either owner or renter occupied housing



Background- ESG

- The U.S. Department of Housing and Urban Development (HUD) under the American Recovery & Reinvestment Act of 2009 has allocated \$6.1 million dollars to the city of San Diego to be used for a Homeless Prevention and Rapid Re-Housing (HPRP)
- Funds will be allocated to the city through the Emergency Shelter Grant (ESG) entitlement formula.
- The city must submit a substantial amendment to the Consolidated Plan 2008 Action Plan by May 18th and have the funds obligated to sub grantees (providers) by September 30th, 2009



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Timeline and Process- ESG

May 18- Substantial Amendment due to HUD

June- LU&H Workshop on Program Activities and Final Budget

July- Issuance of RFPs

July- Come to Council for Consortium Approval and RFPs

August- Selection of Contractors

September- Receipt of Funds

September- Initiation of Contracts and Service Delivery

September 09-12- Quarterly reports to HUD and LU&H



Plan on NSP and Home Funds

- NSP came out last week, Home Funds stuck at state level
- Funds to be coordinated with Housing Commission
- Suggest a special hearing or committee meeting with Housing Commission taking the lead to discuss the best plan for putting together a competitive package



Public Safety

- Justice Assistance Grants (*Formula*)
 - \$4 million to City of San Diego for broad-based public safety measures
- Community Oriented Policing (*Competitive - DOJ*)
 - \$1 billion nationwide for hiring and rehiring law enforcement officers
- Firefighter Assistance Grants (*Competitive - FEMA*)
 - \$210 million nationwide for modifying, upgrading or construction non-federal fire stations
- Brush/Wildfire Management (*Competitive - Forest*)
 - \$500 million for hazardous fuels reduction



Timeline and Process- Police

- DOJ had a different timeline and process than other funds
- COPS deadline already gone and JAG is Monday- Joint application for all 18 cities/county
- DOJ put forward a process under which the Police Department was to notify council via memo and then work with Council on the backend.
- Memo was issued by Chief Lansdowne spelling this out on April 16
- Police Department will need to come to Committee and then to Council before money can be accepted by the City
- Applied for Internet Safety Funds and other competitive grants



Timeline and Process- Fire

- Still waiting on application and competitive criteria- Fire Fighter Assistance Grants
- Expect program to be highly competitive with money available for one or may be two shovel ready fire stations
- While I know the Chief has already discussed with PS&NS, a more formal discussion is in order once the grants are released.
- Brush Management- The City already has in place program with priorities. Simple application process with update to PS&NS with progress updates on how this and other money that we have brought in is being put to work.



Energy

- Energy Efficiency and Conservation (*Formula & Competitive*)
 - \$3.2 billion (\$2.8b by formula and \$400m competitive) for reduction of fossil fuel emissions, improving energy efficiency in transportation and building, financial incentives for retrofits
 - \$10 million estimated for City of San Diego
- Advanced Energy Credit (*Tax Credits*)
 - 30% investment tax credit for a qualified advanced energy project
 - Expected to boost the region's emerging clean tech cluster
- Clean Renewable Energy Bonds
 - \$1.6 billion authorization for bonds dedicated to financing facilities that generate electricity from renewable sources
 - 1/3 for State/local govt., 1/3 for public power providers, and 1/3 for electric cooperatives



Energy

- Qualified Energy Conservation Bonds
 - \$2.4 billion authorization for state and local initiatives to reduce greenhouse gas emissions
 - Complementary to the City's AB 811 program
- Energy-Efficient Improvements (*Tax Credits*)
 - 30% tax credit for improvements to existing homes to improve energy efficiency
 - Complementary to the City's AB 811 program



Preferred Uses per DOE

EECBG program funds will have maximum impact if invested in ways that create and/or retain jobs and stimulate the economy in the short term while laying the foundation for a long-term and sustainable clean energy economy. DOE encourages grantees to prioritize programs and projects that:

- Leverage other public and private resources;
- Enhance workforce development;
- Persist beyond the funding period; and
- Promote energy market transformation such as revolving loans, low-cost loans, energy savings performance contracting, advanced building codes, building and home retrofit incentives and policies, and transportation programs and policies.



Process and Timeline

March 26- Draft Criteria for EECBG posted (seven modifications to the program since that time)

May 6- Stimulus Tracker website launched to seek public input

May 12- Informational presentation to SEAB

May 12- Public Input Session- La Jolla Riford Library

May 20- Public Input Session- Community Concourse, Silver Room

May 27- Draft Proposal to NR&C Committee

June 15- Proposal to Council

June 25- DOE Application Deadline

July-October- Public Process for Climate Action Plan

September-November- Public Process for QECB and EECBG



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General Steps Stimulus

- Website for transparency and public input
- Coordination with other regional entities such as SANDAG and universities
- Standing Items at Council and Committees
- Understanding that each pot of money is very different
- Stimulus at state bring in our state lobbyists for a special Rules or Budget meeting
- Ad hoc working group with Rules Committee Consultant, IBA and IRD
- Formalize these dates and timelines in an updated memo



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Questions?